GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:532
ANSWERED ON:23.07.2003
EVALUATION OF PSUs
GANTA SRINIVASA RAO

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have any plan to evaluate all fixed assets of all PSUs to determine their values;

(b) if so, whether evaluation is done on a yearly basis;

(c) if not, the reasons therefor;

(d) whether evaluation is based on movable and / or non-movable item; and

(e) if so, the details thereof?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHF SHOURIE)

(a) to (c) Government does not evaluate the fixed assets of all Public Sector Undertakings (PSUs)on a regular basis, since this is not a usual practice in the PSUs.

(d) & (e) Valuation of PSUs is done at the time of disinvestment. Itis done taking into account both the movable as well as immovable assets of the company. Asset Valuation is one of the four valuation methods used. It is useful in the case of liquidation of a company. Discounted Cash Flow Method, Balance Sheet Method and Transaction Multiple Method are the three other internationally recognised valuation methods used for valuation of a going concern.